

ADMINISTRATIVE POLICY



STATE OF WASHINGTON DEPARTMENT OF LABOR AND INDUSTRIES EMPLOYMENT STANDARDS

TITLE: DEFINITION OF WAGE

NUMBER: ES.A.2

CHAPTER: RCW 49.46.010(2)

REPLACES: ES-003

ISSUED: 1/2/2002

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This policy is designed to provide general information in regard to the current opinions of the Department of Labor & Industries on the subject matter covered. This policy is intended as a guide in the interpretation and application of the relevant statutes, regulations, and policies, and may not be applicable to all situations. This policy does not replace applicable RCW or WAC standards. If additional clarification is required, the Program Manager for Employment Standards should be consulted.

This document is effective as of the date of print and supersedes all previous interpretations and guidelines. Changes may occur after the date of print due to subsequent legislation, administrative rule, or judicial proceedings. The user is encouraged to notify the Program Manager to provide or receive updated information. This document will remain in effect until rescinded, modified, or withdrawn by the Director or his or her designee.

RCW 49.46.010(2)—Wage

Wage means compensation due to an employee as a result of employment. A wage must be paid in legal tender of the United States or by checks on banks, convertible into cash on demand at full face value. Wages may be paid by an alternative method, i.e., direct deposit, as long as there is no cost to the employee. When there is a fee or cost associated with the alternative payment method, the employee must be offered a choice of the alternative method or a payroll check.

Other items of potential value, i.e., meals and lodging, are not wages and cannot be considered part of the wages earned. This does not mean that an employer is legally restrained from deducting such items from the employee's gross wage. However, in order to be valid, such deductions must meet the requirements of RCW 49.52.060 (authorized by the employee, in writing, in advance, and accruing to the benefit of the employee).

See **ES.B.1**, **ES.B.2**, and for detailed policies for deductions from wages.